AIR FORCE MEDICAL LOGISTICS OFFICE

Integrity - Service - Excellence

TNEX: A Long Haul

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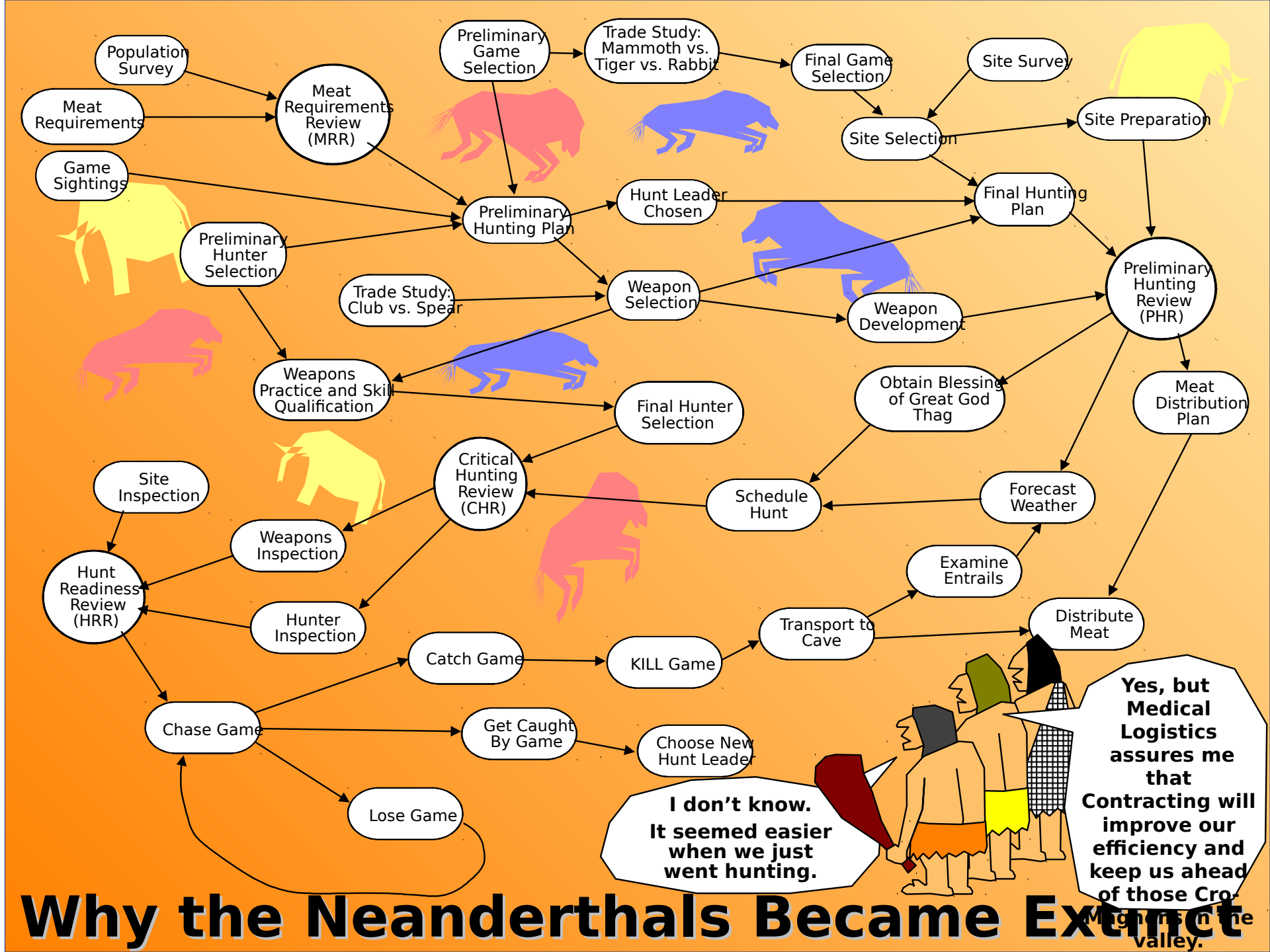
Lt Col Sandi Madaris
Chief, Procurement Services Branch
AFMSA/SGSLC
5 Aug 2004



Why the Neanderthals Became Extinct

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Where are we?

A honeymooning couple was passing through Tennessee. When they approached Conasauga, they started arguing about the pronunciation of the town. They argued back and forth, until they got to the town and decided to stop for lunch.

As they stood at the counter, the man said, "before we order, could you please settle an argument for us? Would you very slowly pronounce where we are?

The guy behind the counter leaned over and said, "B-u-r-r-r-r-r-r-r g-e-r-r-r-r-r-r-r K-i-i-i-i-i-n-n-n-g-g-g."

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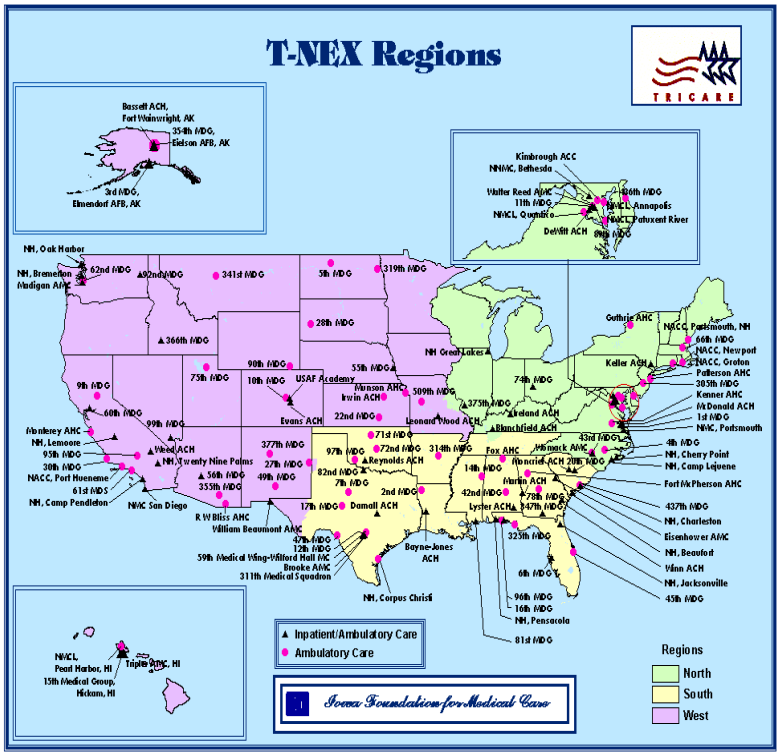
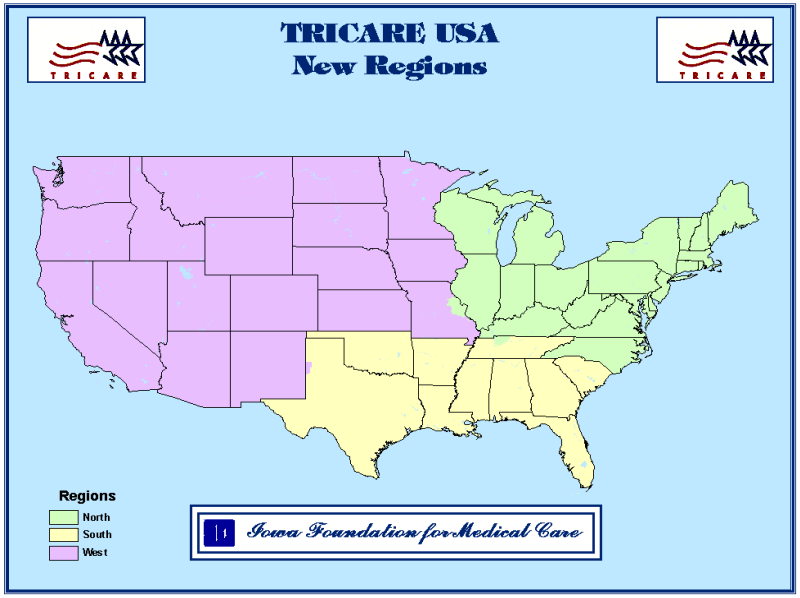
Roadmap

START



FINISH



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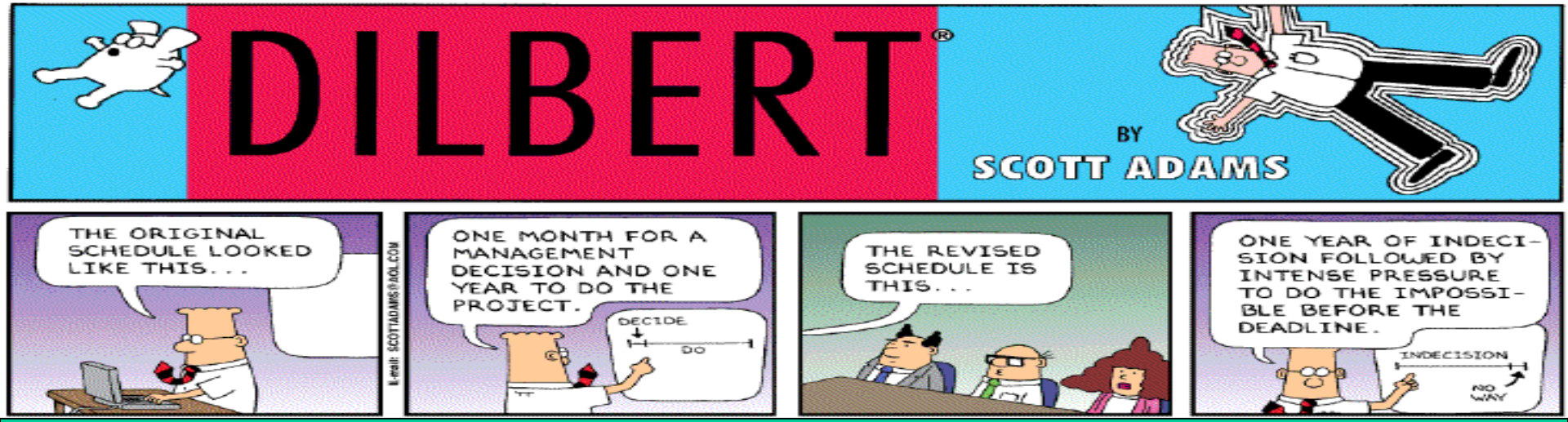
Overview

- Timeline
- Travel Advisories
- Sights along the way, AKA: Regional recaps
- Hazards along the way
- Lessons learned
- Next adventure?


DILBERT®
BY
SCOTT ADAMS
THE ORIGINAL SCHEDULE LOOKED LIKE THIS...
E-mail: SCOTTADAMS@AOL.COM
ONE MONTH FOR A MANAGEMENT DECISION AND ONE YEAR TO DO THE PROJECT.
DECIDE
DO
THE REVISED SCHEDULE IS THIS...
ONE YEAR OF INDECISION FOLLOWED BY INTENSE PRESSURE TO DO THE IMPOSSIBLE BEFORE THE DEADLINE.
INDECISION
NO WAY

Timeline

Start of Healthcare Delivery (HCD)

- 1 Jun: Region 11
- 1 Jul: Regions 2/5, 9/10/12/AK
- 1 Aug: Regions 3/4
- 1 Sep: Region 1
- 1 Oct: Regions 7/8
- 1 Nov: Region 6

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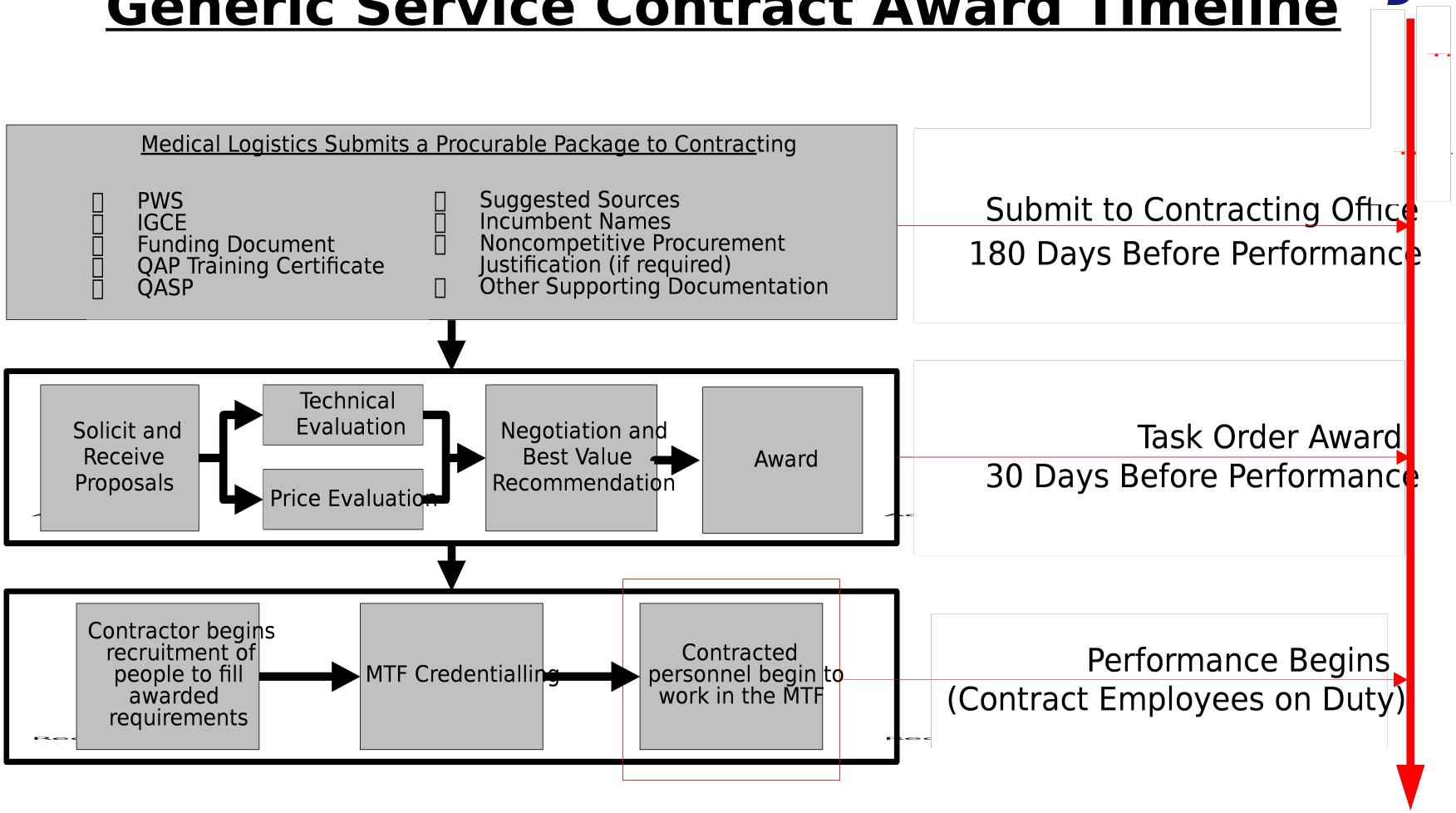
Time: Contracting's Worst Enemy

Generic Service Contract Award Timeline



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Time: Contracting's Worst Enemy

- **What Takes So Long to Award a Contract?**
  - **Workload**
  - **Period of Advertisement**
  - **Clarification of Information for Vendors**
  - **Negotiation**
  - **Legal Review (primarily high-dollar requests)**
  - **Market Capability**
  - **The Calendar**
  - **Acts of God**
  - **Oops!**

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Time: Contracting's Worst Enemy

- **What can you do?**
  - **Don't Rely on Miracles**
  - **Don't Assume You Can Avoid Competition**
  - **Respect the Job Contracting Has to Do**

  - **Develop Service Contract Timeline with RMO & Managed Care & other customers**
    - When is your Contracting Office's Cutoff Date for EOFY?
    - When are "Intent to Exercise" Notices Due to Contracting?
    - Know When to Use "Subject to Availability of Funds"
    - Seek the "Win-Win" Scenario

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Travel Advisories

- Who owns service contracts?
- Why doesn't RMO understand my contracting timetable?
- Why can't I just keep changing the procurable package requirements?
- What do you mean it's not the way it used to be?

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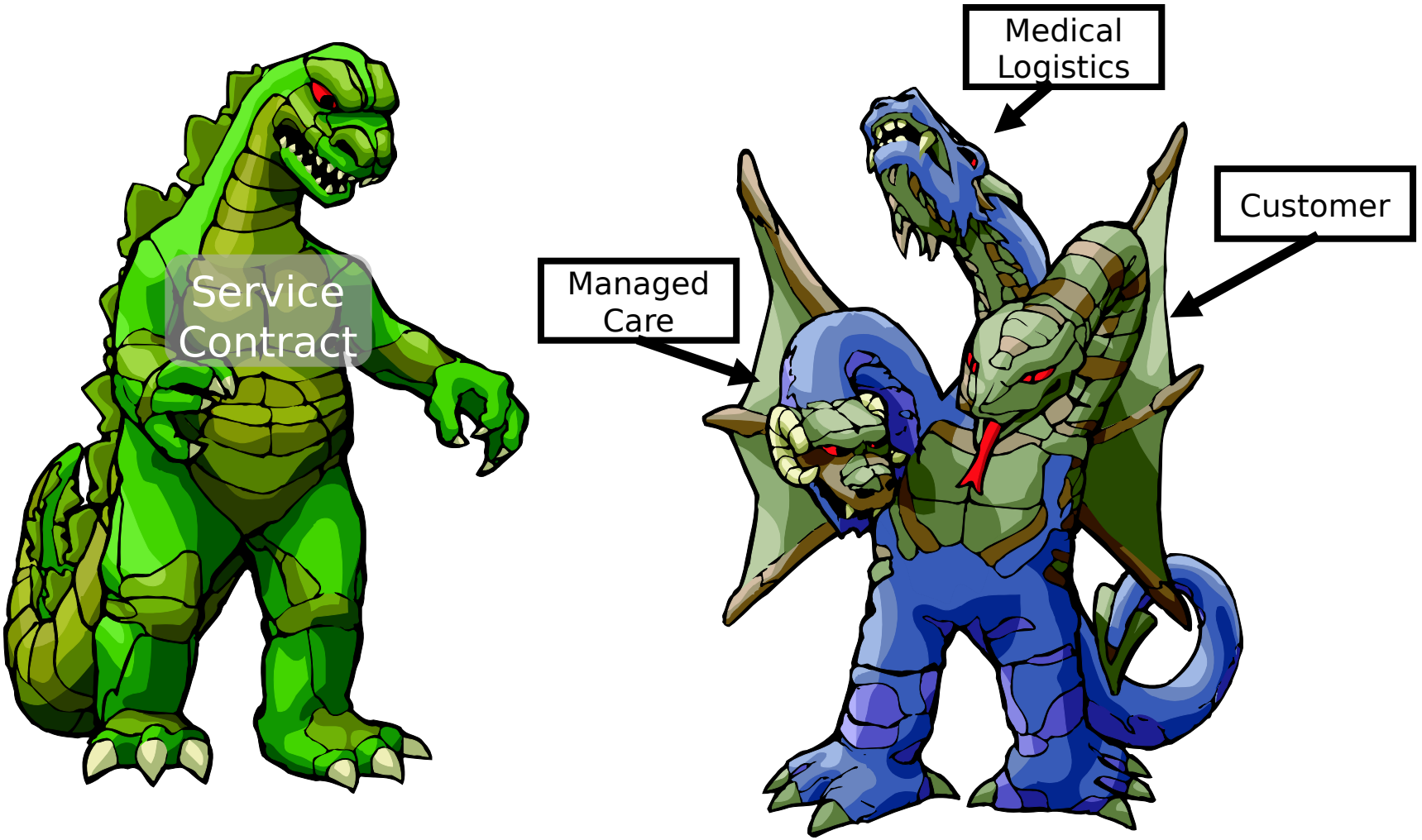
It's mine! No, mine! You're both wrong, it's mine!



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Who's Who in the Contracting Process

- **Basic Process Participants:**
  - **Customer (Managed Care? Clinicians?) –** Defines the Need
    - Via Statement of Work or Performance Work Statement
  - **RMO –** Coordinates the Funding
  - **Medical Logistics –** Facilitates a "Procurable Package"
    - PWS/Tech Specifications, Funding Document, Supporting Documents
  - **Contracting Officer –** Acts as Purchaser
    - Works with Customer to Clarify and Determine Best Value
  - **MTF Personnel –** Evaluates Quality
    - Supplies: Inspection
    - Services: Quality Assurance

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Medical Logistics: Contracts "R" Us

- **Medical Logistics Flight Commander Responsibilities (AFI 41-209, 4.18)**
  - Ensures Customer Needs Ultimately Met
  - Ensures Contracting Receives a "Procurable Package"
  - Ensures Package Goes to Contracting in Time for Procurement
  - Coordinates Quality Assurance Personnel Appointment
  - Be trained in quality assurance management techniques

- **Duties Generally Delegated to a Contract Manager**
  - **'cept for TNEX: many BOBS flight commanders or Managed Care staff running the show**

- **Contracting: Core Competency for MLFCs and 4A1s**

Script for "Time: Contracting's Worst Enemy"

SGSL: "We need the funding document or the service contract won't begin on time."

SGSR: "But MAJCOM hasn't released the funds yet."

SGSL & SGSR: *Repeat 4 times…(with feeling)*

SGSR: "Funding is available. Here's the document."

SGSL: "Thanks." (*Takes package to contracting*)

Contracting: "This is too late to award before you want the service! Why can't you plan better?"

SGSL: (*To SGA*) "Boss, it's stuck at contracting again!" (*Repeat each week for 3 months*)

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Medical Logistics: Contracts "R" Us

CUSTOMER

- Determines their need
- Describes the characteristics of what will fill their requirement

MEDICAL LOGISTICS

- Advocate for BOTH the customer and contracting office
- Helps customer comply with contracting rules
- Helps contracting meet customer requirements

CONTRACTING OFFICE

- Translates requirement into fulfillment as prescribed by standards
- Obtains the best value for the customer

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"Gee, why can't we just add one more requirement?"

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Major Changes in Air Force Medical Contracting

- **Contracting Deserves Scrutiny**
  - **Steeped in Socioeconomics**
  - **Politically Charged**
  - **Prone to Fraud and Abuse**
- **Audits O' Plenty**
  - **GAO** (2002)
  - **TMA** (Soon)
  - **DOD IG** (2004)
  - **AFAA** (2003)
  - **GSA** (2004)
  - **VA** (2004)

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Major Changes in Air Force Medical Contracting

- **Performance Based Service Acquisition**
  - **Service contracts to be developed by a multifunctional team within the MTF**
  - **Calls for mimicking commercial practices, not for prescriptive contracts**
  - **Uses incentives for quality awards**
  - **Process is owned by base contracting**
  - **Services Designated Official (SDO) Review of all service contract packages**

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Major Changes in Air Force Medical Contracting

- **MIPR Submission for Service Contracts:**
  - **AFFARS Part 5337, Updated Feb 2004, Requires the Following Statement on All MIPRs**
    - "The attached performance-based work statement is being provided IAW Section 801, 10 USC 2330. Any contract or task order resulting from this request is to be acquired using performance-based principles. The attached purchase request is approved by the Services Designated Official for procurement outside of DoD. If applicable, this acquisition has been determined to be in the best interest of the government IAW FAR 17.5, as supplemented."
    - "Distribute a copy of the awarded contract or task order to the following Services Designated Official: [insert SDO name and address]."

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Major Changes in Air Force Medical Contracting

- **Commodity Councils**
  - **Strategic Sourcing for Enterprise-wide Commodities**
  - **Air Staff-level group of SME's from all MAJCOMs**
  - **Process:**
    1. **Define global requirement**
    2. **Poll the commercial market…learn from them**
    3. **Develop a procurement strategy**
    4. **Create contract(s) to support strategy**
    5. **Roll out as mandatory source**
  - **Medical Service Commodity Council currently considering PCO team, but nursing and admin services were also in the list**

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Sights along the way, AKA: Regional Recaps

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In the rearview mirror: Region 11 (Jun)

- **Fairchild: 10 FTEs, awd'd Jun 04; .5 not hired**
- **McChord: .5 FTE awd'd Jun 04 and hired**

- **Both used their base contracting offices**
- **Fairchild provided excellent recap in recent AFMLL article**

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In the rearview mirror: Regions 2/5 (Jul)

- **Seymour Johnson: 6.25 FTE awd'd and hired**
- **Langley: 1.0 FTE awd'd and hired**
- **Scott: 12.88 FTEs awd'd and hired; 6 FTEs pending awd and/or hiring**
- **Pope: No RSAs**
- **Wright-Patterson: 19 FTEs awd'd; 18 hired, 1 expected this week**

- **Mix of AF/VASS usage; some delays with credentialing of new hires**

In the rearview mirror: Regions 9, 10, 12, Alaska (Jul)

- **Beale: 2.3 FTEs awd'd and hired**
- **Edwards: 2 FTEs awd'd and hired; 1 FTE pending**
- **Vandenberg: 1 FTE awd'd and hired**
- **Travis: 46.98 FTEs awd'd; 44.73 hired**
- **Alaska: n/a**
- **Hickam: 10 FTEs, awd'd Jun 04 and hired**

- **Some issues with provider over-time and on-call payment; new contractor scrambling to fill vacancies**

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Just navigating: Regions 3/4 (Aug)

- **Shaw, Moody & Charleston: no RSAs**
- **Maxwell: 21 FTEs pending sole source 2-month bridge contract with Humana; replacement competitive procurement underway**
- **Tyndall: 6 FTEs awd'd and hired**
- **Columbus: 3 FTEs awd'd and hired; 1 FTE pending via CSA**
- **Keesler: 99.7 FTEs: 81.1 pending CSAs; 18.6 FTEs pending after start of HCD date**
- **Eglin: 48 FTEs awd'd pending hiring; 4 remaining awd/hire**
- **Robins:19 FTEs pending via CSA**
- **Hurlburt: 9 FTEs awd'd and hired**
- **Patrick: 8.95 awd'd; 7.95 hired and 1 FTE pending**
- **Macdill: 4 awd'd & pending hiring; 3 FTEs were to be awarded by end of July**

- **Rough going with the CSAs for Keesler, Robins, Tyndall, Hurlburt**
- **Base contracting offices ranged in desire/capability to work with MTFs**

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On the horizon: Region 1 (Sep)

- **Bolling, Dover & Hanscom: No RSAs**
- **Andrews: 1.0 FTE pending awd a/o 29 Jul**
- **McGuire: 3 FTEs pending awd a/o 29 Jul**

- **Region with fewest RSA conversions—good thing at the EOFY! ☺**

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On the horizon: Regions 7/8 (Oct)

- Davis-Monthan: 37.5 FTEs at 7/8 ACO; pending awd dates mid-Aug to 1 Sep
- Mountain Home: 1.14 FTE at 7/8 ACO; anticipated awd 1 Sep
- Whiteman: 1.0 FTE awd'd; 4.5 should be awd'd this week
- Minot: 1.0 FTE at VASS; anticipated awd date 15 Sep
- Offutt: 57.2 FTEs at 7/8 ACO; pending awd 1 Sep
- Cannon: .3 FTE at base contracting; anticipated awd late Sep
- Holloman: 7.8 FTEs at 7/8 ACO; anticipated awd 31 Aug
- Nellis: 125 FTEs total; 12 FTEs at base contracting with anticipated awd 1 Oct; other clinical FTEs via CSA
- Ellsworth: no RSAs
- Luke: 44.8 FTEs; anticipated awd this week

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On the horizon: Region 7/8 continued

- **Kirtland: 1.75 FTEs at base contracting; anticipated awd 1 Oct**
- **Hill: 11.8 FTEs; anticipated awd 15 Aug**
- **Peterson: 23 FTEs anticipated awd 1 Oct**
- **Buckley: No RSAs**
- **Malmstrom: 6.0 FTEs pending awd thru VASS**
- **F.E. Warren: 5.40 FTEs pkgs at VASS**
- **McConnell: 6.25 FTEs anticipated awd 1 Aug**
- **Grand Forks: No RSAs**
- **USAFA: 75.72 FTEs; anticipated awd late Aug**

- **MTFs need to move on their requirements, whether LSC or CSA**
- **EOFY contracting requirements at base and VASS may hinder progress**

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On the horizon: Region 6 (Nov)

- **Barksdale: 15.0 FTEs through base and VASS; anticipated awd date mid Sep for clinical FTEs, later for admin**
- **Dyess: 1 FTE pkg at base contracting; 9 FTEs for CSA**
- **Lackland: 74.5 FTEs total; 73.5 incumbents; using base contracting; estimated awd early Oct**
- **Little Rock: 17.2 FTEs at VASS; anticipated awd 1 Oct**
- **Vance, Altus, Randolph, Goodfellow, Laughlin, Brooks: no RSAs**
- **Sheppard: 6 FTEs awd'd; 39.5 FTE pkgs at base contracting with anticipated 1 Sep awd**
- **Tinker 24.75 FTEs packages at VASS**

- **MTFs can decide to use CSAs: MAJCOM coordination key; move quickly to avoid delays!**
- **Expect difficulty in price negotiations with Humana: check with former Region 4 bases on this!**

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Hazards along the way

- Acquisition timelines
- Funding timelines
- Performance-based services acquisition formats
- AF SDO reviews
- VASS legal, technical and other reviews
- CSA process
- Internal tug-of-war with Managed Care
- Inexperienced staff tasked with developing procurable packages
- Relationships with local contracting offices, SAF/AQ, TMA, VASS, Army & Navy contracting

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Lessons learned

- Develop and stick to acquisition strategy plans
- Give a generous timeline to the whole process: think ahead for possible delays and revisions
- Get the procurable packages final—numerous changes to PWS after they were at contracting delayed actions
- If using CSA, be willing to juggle CSA and LSC activity at the same time!
- Keep in mind the institutional/philosophical differences between AFMS, SAF/AQ, VASS, TMA
- Training cannot be overrated!
- Cooperate & coordinate internally with managed care, RMO, clinical staff, credentialling, security, etc.

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Next adventure?

- **TNEX options: renewal right on the heels of initial contract award for most regions!**
- **Managing CSAs while starting competitive process for local support contracts!**
- **Possible impact of AFMS-wide contracts developed through AFMS Commodity Council!**
- **Future changes to TNEX structure? (Just say "NO!")**
- **VASS handoffs to AF contracting offices or Commodity Council?**
- **Centralized AFMS contracting through SAF/AQ?**

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Summary

- Timeline
- Travel Advisories
- Sights along the way: AKA, Regional Recap
- Roadside Hazards
- Lessons Learned
- Next Adventure?

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Sick from the journey…

I have seen what a laugh can do. It can transform tears into something bearable, even hopeful. -- Bob Hope

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Roadside Assistance

- **AFMSA/SGSLC Help:**
  - **Lt Col Sandi Madaris**
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  - **Joanne Keyser**
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Questions?